

Report to the Social Services Appropriations Subcommittee

Health Coverage Improvement Program

September 2020



Statutory Requirement

As first required by House Bill 437 (2016), the Utah Department of Health (Department) submits this response to comply with the following statutory requirement in UCA 26-18-411(8):

Before September 30 of each year, the department shall report to the Health and Human Services Interim Committee and to the Executive Appropriations Committee:

- (a) the number of individuals who enrolled in Medicaid under Subsection (6);
- (b) the state cost of providing Medicaid to individuals enrolled under Subsection (6); and
- (c) recommendations for adjusting the income eligibility ceiling under Subsection (7), and other eligibility criteria under Subsection (6), for the upcoming fiscal year.

Enrollment

Enrollment in the Health Coverage Improvement Program, also known as Targeted Adult Medicaid (TAM), began in November 2017 and continued to grow through State Fiscal Year (SFY) 2020. *Figure 1* demonstrates the enrollment trend for the program, and *Table 1* identifies the enrollment in SFY 2020. The average monthly enrollment in SFY 2020 was 5,100 members. Enrollment in the program grew to 6,038 members in June 2020.

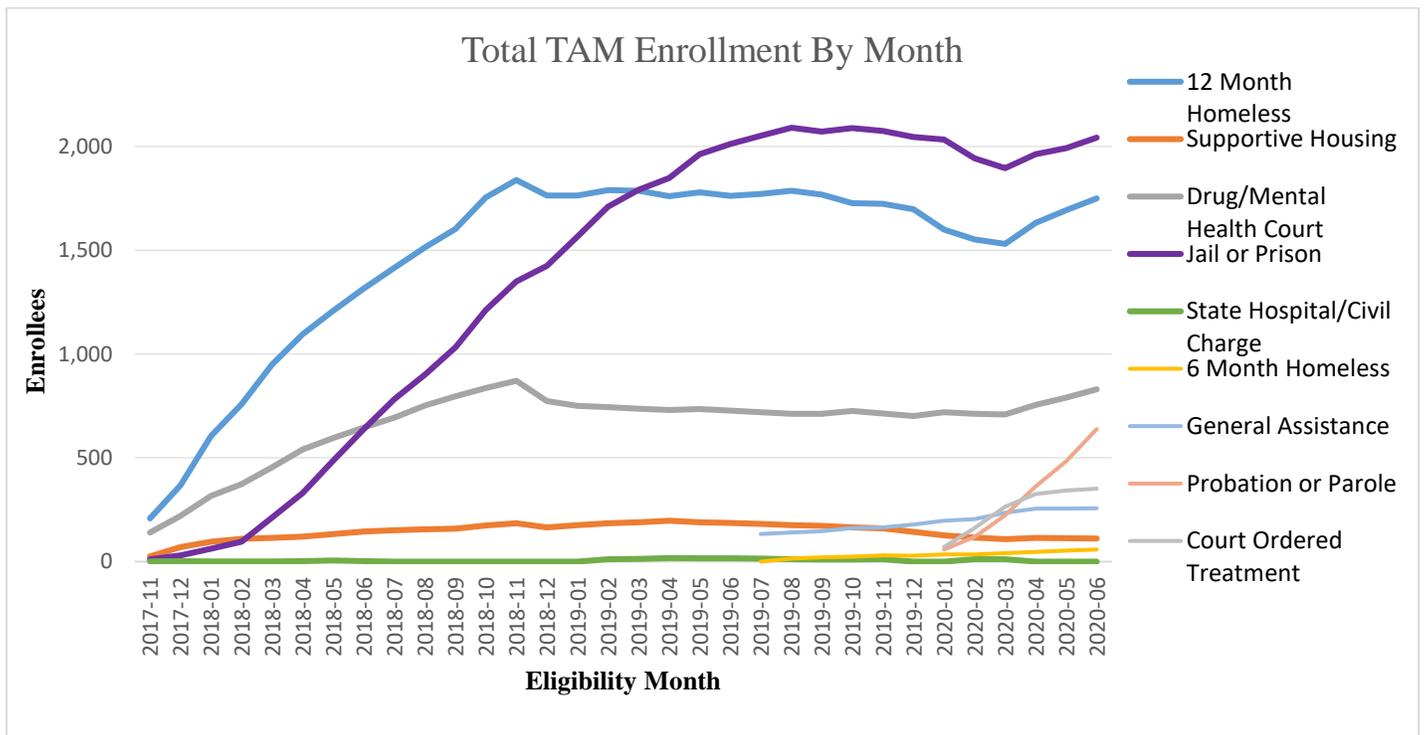


Figure 1

TAM Category	2019-07	2019-08	2019-09	2019-10	2019-11	2019-12	2020-01	2020-02	2020-03	2020-04	2020-05	2020-06
12 Month Homeless	1,771	1,786	1,768	1,727	1,723	1,698	1,600	1,552	1,530	1,631	1,693	1,749
6 Month Homeless		14	21	24	30	29	35	34	40	47	52	58
Domestic Violence												
Supportive Housing	182	176	172	165	160	143	127	115	108	114	112	112
General Assistance	133	141	147	161	165	178	197	205	236	256	255	257
Court Ordered Treatment							70	161	265	326	343	351
Drug/Mental Health Court	720	712	712	726	714	701	719	712	709	754	790	830

Jail or Prison	2,051	2,090	2,071	2,088	2,075	2,046	2,032	1,943	1,895	1,963	1,992	2,042
Probation or Parole							58	119	223	362	484	638
State Hospital/Civil Charge	14	12	10	10	11			12	12			
Total	4,871	4,931	4,901	4,901	4,878	4,795	4,839	4,853	5,018	5,455	5,721	6,038

Table 1

Cost of Providing Medicaid to Enrollees

Services

SFY 2020 service costs for the Health Coverage Improvement Program equaled \$81,689,027.79 total funds. Federal funds contributed \$65,847,433.40 to the service cost, and the remainder of \$15,841,594.39 was shared between the State, local funding sources, and hospitals in accordance with 26-36b-204(1)(b). *Table 2* details the expenditures by service type. The state net cost of services is \$8,475,607.36, shown in *Table 3*.

Service Type	Total Funds	Federal Funds	Non-Federal Share
Behavioral Health	\$13,260,020.52	\$10,665,279.56	\$2,594,740.96
Emergency Room	\$5,067,542.38	\$3,997,279.16	\$1,070,263.22
Inpatient Hospital	\$15,814,586.25	\$12,702,359.98	\$3,112,226.27
Lab and/or Radiology	\$8,016,967.47	\$6,363,385.45	\$1,653,582.02
MAT ¹	\$2,925,871.38	\$2,444,393.29	\$481,478.09
Non-MAT Pharmacy ¹	\$13,503,892.24	\$11,112,035.88	\$2,391,856.36
Other Services	\$6,939,321.61	\$5,538,288.95	\$1,401,032.66
Outpatient Hospital	\$3,674,288.95	\$2,859,983.72	\$814,305.23
Residential Service	\$12,486,536.99	\$10,164,427.41	\$2,322,109.58
Grand Total	\$81,689,027.79	\$65,847,433.40	\$15,841,594.39

Table 2

Description	Amount
Non-Federal Share	\$15,841,594.39
Collections	(\$197,932.74)
Hospital Share	(\$6,934,587.85)
Local Funding Sources	(\$233,466.44)
Services Net State Cost	\$8,475,607.36

Table 3

¹ Pharmacy expenditures shown here are net of rebates. Rebates are allocated to the Health Coverage Improvement Program based on the program's share of Medicaid's pharmacy expenditures.

Administration

2020 administration costs for the Health Coverage Improvement Program equaled \$2,090,691.47 total funds. Federal funds contributed \$1,449,526.42; local funding sources contributed \$87,459.45; and the remainder of \$553,705.60 was the State's cost.

Administration Cost ²	Total Funds	Federal Funds	State Funds	Local Funds
Department of Workforce Services	\$1,098,676.62	\$847,866.16	\$250,810.46	\$0.00
Department of Health	\$992,014.85	\$601,660.26	\$302,895.14	\$87,459.45
Administration Total	\$2,090,691.47	\$1,449,526.42	\$553,705.60	\$87,459.45

Table 4

Total

The grand total state cost of the Health Coverage Improvement Program was \$9,029,312.96 as shown in *Table 5*.

Category	State Cost
Services	\$8,475,607.36
Administration	\$553,705.60
Grand Total	\$9,029,312.96

Table 5

Recommendations

With the passage of Senate Bill 96 (2019), Utah Medicaid was expanded to 100 percent of the Federal Poverty Level (FPL) effective April 1, 2019. This expansion allowed individuals earning more than the TAM income limits to qualify for Medicaid coverage. In addition, the expansion moved a 5 percent of FPL disregard of income from the TAM program to the larger Medicaid expansion. In order to maintain TAM income eligibility at the same level it was before the expansion, the Department worked with the legislature to establish a 5 percent FPL limit for TAM for SFY 2020. The Department does not recommend any further changes to the income limit at this time.

During SFY 2020, the categorical definition of TAM was expanded to include the following groups: homeless victims of domestic violence, individuals receiving court ordered treatment, and individuals on probation or parole that have severe mental health or severe substance use disorders. The Department does not recommend any further changes to the categorical definition for TAM at this time.

² Administrative costs for the Medicaid expansion programs - 26-18-411(6), 26-18-411(3), and 26-18-415, are not separately tracked. The amount shown here attributed to 26-18-411(6) is allocated based on share of service expenditures.